GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4359
ANSWERED ON:19.04.2002
COMMITMENT CHARGES ON EXTERNAL LOAN
RAMJI MANJHI;RAMJI LAL SUMAN;SUSHIL KUMAR INDORA

Will the Minister of FINANCE be pleased to state:

(a) whether the external loan of Rs. 55,764 crore, obtained from abroad at the end of the last financial year, remained unutilized;

(b) if so, the details thereof alongwith the reasons therefor;

(c) the amount paid by the Government as the commitment charges on this loan amount;

(d) whether any accountability has been fixed by the Government for the poor financial utilisation;

(e) if so, the details thereof; and

(f) the measures taken by the Government for optimum utilisation of external loan ?

Answer

MINISTER OF STATE FOR FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) The amount of loan that remained unutilized at the end of financial year 2001-02 stood at Rs. 58820.06 crores.

(b) The details of unutilized amount of loans are annexed.

(c) The commitment charges paid by the Government during the year 2001-02 are as follows:

(Rs. crore)

ADB	4.26
IBRD	34.64
Germany	0.76
France	0.22
Total	39.88

(b), (d) & (e) Foreign aid is largely project tied and therefore, utilisation of the sanctioned aid for any project is spread over the project implementation period. As a result, there would be some unutilised amount at any point of time, reflecting the assistance in pipeline, which will be used as project implementation takes place.

The pace of utilisation is sometimes affected due to inadequate provisioning of funds by the implementing agency, procurement and contracting delays, delays in land acquisition and other project specific issues.

(f) Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of State and Central Govt., streamlining of procurement procedures, disintermediation of flow of external aid to Central Public Sector Undertakings, quarterly review with Executing Agencies, setting up of a Project Management Unit in the Department of Economic Affairs, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects with respect to quality at entry.

Annexure
STATEMENT REFERRED TO IN REPLY TO PART (B) OF THE LOK SABHA UNSTARRED QUESTION NO. 4359 D/ 19.4.2001

(Rs. Crores)

Sl No	Donor	`Unutilized Amount` @
1	Asian Development Bank	8443.045
2	Belgium	21.562
3	Germany	815.664
4	France	63.382
5	Japan	7772.238
6	Russian Federation	11974.147
7	Saudi Arabia	36.231
8	I B R D	14827.215
9	I D A	4.683
10	I D A	14452.938
11	I F A D	345.697
12	O P E C	63.26
	Total :	58820.062

@ Reasons cited in reply to part (b), (d) & (e)